Jennifer McGuirk, Multnomah County Auditor

Multnomah County
Auditor's Office

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Date: September 23, 2026

To: Jessica Vega Pederson, Multnomah County Chair
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Sara Morrissey, Deputy Chief Operating Officer
Rachel Pearl, Department of County Human Services Director
Alexis Ashby, Department of County Human Services Deputy Director
Danisa McLean, Preschool and Early Learning Division Director

From: Jennifer McGuirk, Multnomah County Auditor

RE: Good Government Hotline investigation identified concerns about the Preschool for All seat allocation process and contracting structure

Recently my office investigated a fraud/waste allegation to the Good Government Hotline regarding Preschool for All. We appreciate the Preschool and Early Learning Division's cooperation with our investigation.

We did not substantiate the allegation. However, during our investigation we identified some concerns that I wanted to inform you about to support county oversight and management of Preschool for All.

The Preschool and Early Learning Division's contracting methodology could lead to waste

Preschool for All pays for all seats allocated to each site, whether the seat is open (unfilled by a student) or enrolled (filled by a student). For example, a site could have 20 seats allocated to it with only 14 seats filled but be paid for all 20 seats. In this example, if this were a full-day provider, the county would be paying the provider for the seats that are filled, as well as about $13,000 per month for the six unfilled seats.

While this contracting methodology is understandable to support preschool site operators that have committed to Preschool for All, paying for empty seats risks the sustainability of the program. The significant expansion of seats in the 2026-2027 program year could lead to significant open seat expense.

According to data shared by the Preschool and Early Learning Division, there were 1,250 open seats in the 2026-2027 program year, as of August 13, 2026. For that number of open seats, the open seat expense is about $2 million a month (or about $24 million, annualized). Preschool and Early Learning told us they have a rolling enrollment strategy, so the number of open seats could fluctuate throughout the year as students enroll or leave the program.

At the same time that Preschool for All is experiencing many open seats, we have heard from families who have been unable to get a seat at one of their preferred preschools. Families can select eight preferred preschools when they apply to Preschool for All. If a preferred site is not available, the child will be placed on that site's waitlist. A single child can be on multiple waitlists simultaneously. Preschool and Early Learning told us families may choose to update their preschool choices if they want to be considered for programs with more immediate availability, but it is unclear if families are aware of this process.

As of August 2026, the Preschool for All program had a waitlist of about 3,000. Because one child could be on the waitlist for up to eight preschools, this is at a minimum 375 families on a waitlist (3,000 divided by 8). This 375-family count is likely a significant understatement, as it is improbable that every family is on all eight preschool waitlists. This points to a potential

mismatch of resources in terms of seat allocations to preschools. Aligning the allocation policies and processes to ensure allocations reflect demand could help ensure that fewer Preschool for All seats go unfilled.

We recommend the Preschool and Early Learning Division do the following to help address the issues we've noted:

1. Prior to the allocation process for the 2027-2028 program year, strengthen allocation policies and processes to ensure that seat allocations are data-driven and based on demand.
2. Prior to the family application process for the 2027-2028 program year, expand the existing process for connecting with waitlisted families to proactively connect families on the waitlist with open seats.

Jessica Vega Pederson
Multnomah County Chair

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Date: September, 22nd, 2026

To: Jennifer McGuirk, Multnomah County Auditor
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Sara Morrissey, Deputy Chief Operating Officer
Rachel Pearl, Department of County Human Services Director
Alexis Ashby, Department of County Human Services Deputy Director
Danisa McLean, Preschool and Early Learning Division Director

From: Jessica Vega Pederson, Multnomah County Chair

RE: Response to Good Government Hotline investigation related to Preschool for All seat allocation process and contracting structure

Dear Auditor McGuirk,

The Department of County Human Services (DCHS) Preschool and Early Learning Division (PEL), the Office of the Chief Operating Officer (COO), and I would like to extend our gratitude to the Multnomah County Auditor's Office for this thorough response to a Good Government hotline investigation.

We appreciate the time, energy, and collaboration dedicated to reviewing the Preschool for All's (PFA) seat allocation process and contracting structure. While the allegation was not substantiated, the division has thoroughly reviewed the recommendations from the auditor's office.

We are proud of the division's effort to reach universal preschool for Multnomah County residents and their work to continually review and improve processes as the program continues to develop. We appreciate the opportunity to provide additional information and details that the program is working on related to both recommendations. Please find the additional details below.

Recommendation 1: Prior to the allocation process for the 2027-2028 program year, strengthen allocation policies and processes to ensure that seat allocations are data-driven

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and based on demand.

PFA's growth has always been guided by data, evaluation, and input from families and communities. However, we have much more information to learn from today than we did at the start. We can see where families apply, which sites they choose, where waitlists form, where seats remain open, and what families tell us when an offered placement doesn't work for them.

During PFA's final stages of growth, intentionality is key. While PFA is able to offer more seats than ever before, filling those seats is an equally important step. To do this, PFA must ensure that what is offered actually meets family needs. To ensure PFA's final growth is intentional and aligned with family needs, PFA has been conducting a multi-step gap analysis. The gap analysis evaluates factors to get the program from its current status to full universality. The Gap Analysis project is supported by the Multnomah County Board of Commissioners.

The Gap Analysis project employs a mixed-method approach and utilizes many data sources including:

- Census and ACS data,
- Geographic analysis including family and site distribution,
- Family feedback through PFA evaluation activities,
- Results from PFA's external evaluation partner's analysis utilizing the Child Opportunity Index,
- Analysis of PFA application data (including open seats and waitlists), and,
- Additional data collection from families who applied for PFA in 2026-27 as well as families in the community who have never applied to Preschool for All.

The Gap Analysis project is in its final stages. The results will be ready in time to inform and help guide the 2027-28 Seat Allocation process. The Gap Analysis was also intentionally conducted in phases so that PEL could utilize findings along the way. Already, PEL has incorporated findings from the Gap Analysis to refine and guide our Facilities Funds, 2026-27 Mid Year allocations, and the 2027-28 Provider Application criteria.

For example, early findings from the Gap Analysis revealed that geography is a powerful driver of demand. Preschool for All has many open seats in some areas of Multnomah County (for example, in Outer East Portland), and does not have enough seats to meet family demand in other areas (for example, inner Southeast Portland, Northwest Portland, and Southwest Portland). Priority zip codes were identified through this analysis, and used as part of the criteria

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to determine which applicants would receive final approval for Facilities Funding, receive Mid Year seat allocations, and are listed for providers who are interested in applying for the 2027-28 PFA year. This process helps to ensure that there is enough family demand to fill the seats PFA has available.

The Preschool & Early Learning Division is building the learnings from this Gap Analysis into our future processes – not just for seat allocations, but for Facilities Funding as well. This type of data analysis will also be incorporated into our annual cycles to ensure it guides our work going forward. This will ensure Preschool for All is offering seats that fully meet the needs of the families in our community.

Recommendation 2: Prior to the family application process for the 2027-2028 program year, expand the existing process for connecting with waitlisted families to proactively connect families on the waitlist with open seats.

Existing process for connecting waitlisted families with open seats

Preschool for All currently uses several coordinated approaches to make families on waitlists aware of programs with available seats and support them in updating their preschool choices.

Direct communication with waitlisted families

When families are placed on a waitlist, they receive information about programs that currently have available seats, including PFA's Programs with Available Seats list. Because seat availability changes as families accept, decline, or leave placements, this list is updated regularly. Families are encouraged to review programs with openings and consider whether any of them meet their family's needs.

Families are also reminded that they can contact the Preschool for All Application & Enrollment Team to add preschool choices, change their rankings, or update other application information while the application is open. Staff make those changes on the family's behalf. PFA continues making placements throughout the year as seats become available.

Ongoing communication about available seats

Information about programs with openings is also shared through PFA's broader communications channels so that waitlisted families have multiple opportunities to see updated

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availability. The available-seats list is posted on the PFA website and shared through social media and other public communications.

PEL has also used Circle Time Spotlights on social media to feature individual PFA providers with significant openings and give families more information about those programs. These communications help families learn about options they may not have originally selected and decide whether those sites could work for them, and the posts encourage families to check out the list of sites with open seats on our website.

Individualized support through Family Connector Organizations

PFA's existing Family Connector Organization (FCO) Navigator network provides more individualized support to families. Navigators identify families they work with who are waitlisted and not yet enrolled, share information about sites with openings, and provide choice counseling based on factors such as location, schedule, and the family's other needs. FCOs also share available-seat information during community outreach events. Outreach events will be targeted by neighborhoods to support providers with high vacancy rates to help providers reach their immediate communities. These events will feature interactive maps spotlighting PFA sites with high vacancies alongside sites with short waitlists. To accommodate diverse family schedules and preferences, outreach events will be offered in a variety of formats, including virtual and in-person sessions, block scheduling, weekend availability, and late evening times.

If a family decides that an available program is a good fit, the Navigator sends the family's updated preschool choices to the Application & Enrollment Team, which updates the application on the family's behalf. Families ultimately choose which programs they want to consider; availability alone does not determine whether a site is workable for a family.

Application & Enrollment support

The Application & Enrollment Team also responds directly to families who ask about their waitlist status, placement chances, or changing their preschool choices. Staff provide current information about available programs and help families update or re-rank their selections. Many families regularly contact the team for these changes, and application updates are processed on an ongoing basis.

This is particularly important because families only receive placement offers from programs they have selected on their application. If a family chooses not to add a program with an opening to

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their application, that is typically because location, schedule, or another family need make that program unsuitable.

Newly Expanding proactive outreach in 2026–27

PEL is strengthening this existing work during the 2026–27 program year by adding a more proactive outreach process through new Family Engagement Specialists who will join the PEL team in early October 2026. Application & Enrollment will identify waitlisted families following placement periods, and Family Engagement Specialists will contact families directly by email, phone, or text to offer choice counseling about programs with available seats.

If a family identifies another program that works for them, the specialist will coordinate with Application & Enrollment to update the family's preferences and support placement into an available seat.

This new **Family Engagement Specialist** process builds on PFA's existing communication, Application & Enrollment support, and FCO Navigator work by adding another layer of direct, proactive outreach to families who remain on waitlists.

Additionally, PEL is developing an **Interactive Map** to help families identify PFA sites with open seats. Families will be able to search for sites with availability by entering an address or zip code, making it easier to identify available preschool options that may work for their family. The availability map will complement the existing map of all PFA sites in the family portal, and provide waitlisted families with more accessible information about where openings are as they consider updates to their application choices.

Lastly, PEL will partner with community-based organizations to deliver **targeted technical assistance and marketing support for providers**, with a focus on expanding their web presence, digital outreach, and community engagement strategies. Through these partnerships, providers will receive individualized assistance to establish robust websites, optimize digital media assets, and utilize diverse communication channels. By strengthening marketing infrastructure and increasing local visibility for small provider businesses, this initiative aims to help programs connect directly with prospective families, increase enrollment awareness, and sustain high occupancy across all Preschool for All sites.

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We appreciate the review and recommendations from your office. The PFA program and PEL team will continue to review data and receive family and provider feedback, ensuring Board oversight and continuing to improve program delivery with the goal of meeting universal daycare all while ensuring we are responsible stewards of Multnomah County's taxpayers taxpayer dollars.

Sincerely,

Jessica Vega Pederson
Multnomah County Chair